

Instinet Acquires Lynch, Jones & Ryan

February 24, 2000

London – Reuters electronic broking subsidiary, Instinet Corporation, has completed the acquisition of Lynch Jones & Ryan (LJR), the world's leading provider of commission recapture programs for pension plan sponsors and other funds. Instinet announced an initial agreement to purchase LJR on 17 November 1999. The assets (un-audited) of Lynch, Jones and Ryan were approximately US\$23 million as of 31 December 1999. The costs of the acquisition are not material to Reuters.

Instinet Corporation has acquired the stock of Lynch, Jones & Ryan, Inc, Patriot Financial Planning, Inc., and 9.9% of Harborview LLC, a NYSE floor broker unit. Lynch, Jones and Ryan is now a wholly-owned subsidiary of Instinet Corporation.

Douglas Atkin, CEO of Instinet Corporation said: "This acquisition combines Instinet's proven electronic global execution and distribution platform with LJR's strengths, namely traditional relationships with plan sponsors and their investment managers, as well as NYSE working order expertise. The extension of Instinet to the plan sponsor market segment will provide new opportunities and benefits to both issuers and investors."

Howard Schwartz, CEO of Lynch, Jones & Ryan said: "Instinet's strategic vision of making investment processes and markets more efficient is directly aligned with plan sponsors' objectives to lower total plan expenses in global trading and research and maximize the plans' investment returns. We are pleased to become part of a firm that is committed to bringing innovation and efficiencies to the global brokerage business."

Note to Editors

"Plan sponsor" is a generic term describing fiduciaries that are responsible for managing retirement and other assets totalling over US\$8 trillion in the US. These assets are divided among public, corporate and union pension funds, trust and insurance funds, as well as endowments and foundations.

Plan sponsors entrust some or all of their assets to money managers for professional investment management. In 1998, money managers spent an estimated US\$7 billion on brokerage services for plan sponsors.

Commission recapture is a process where a pension plan sponsor directs its money managers to execute a portion of the plan's investment transactions with a specified broker. The commission recapture broker in turn agrees to rebate a percentage of the commission back to the plan. Institutional trading is typically bundled – commissions pay both for execution and non-transactional services like research. Commission recapture is a means for plan sponsor clients to un-bundle and pay only for the execution component of the trade. Commission recapture is discount brokerage for plan sponsors.

Directed brokerage programs allow plan sponsors to instruct their investment managers to execute a portion of their trades through a specialized broker or brokers to pay for services that exclusively benefit the pension funds and their participants.

Pension funds in the international arena will have access to a means of maximizing the value of the funds for which they are responsible on behalf of pension stakeholders.

Lynch, Jones & Ryan's international pension fund client base will have the opportunity to access Instinet's electronic trading capability where appropriate.

About Instinet Corporation

Instinet Corporation, the world's largest agency brokerage firm, trades in over 40 global markets daily and is a member of 18 exchanges in North America, Europe, and Asia. The firm is committed to bringing efficiencies to capital raising worldwide by using technology in securities trading and research to bring issuers and investors closer together.

Instinet is the worldwide industry leader in applying advanced technology to agency trading in equities. As a pure agency broker, Instinet seeks only to increase its clients' investment performance by providing them instant access to global liquidity, enhanced efficiency, and greater opportunities to reduce transaction costs. Instinet US institutional clients save about US\$1 billion annually in transaction costs for individual investors.

The firm was founded in 1969 and was acquired by Reuters Group PLC (NASDAQ: RTRSY) in 1987.

About Lynch, Jones & Ryan

Lynch, Jones & Ryan, a New York firm, specializes in institutional trading and research. In 1997 and 1998, the firm traded well over one billion shares in each year. LJR is the originator and the industry's largest provider of commission recapture, with hundreds of pension fund clients worldwide. The firm has offices in Atlanta, Cleveland, Chicago, Dallas, San Francisco and London.

LJR also operates two well-respected research divisions. LJR Redbook publishes fundamental research on retail and related sectors and its LJR Redbook Retail Sales Average is recognized as a leading indicator of economic activity. LJR Great Lakes Review is an institutional research reporting on investment opportunities in medium-sized midwestern companies.

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